

April 21, 1975

SENATOR MURPHY: I believe this is entirely true, Senator Mills. I think that is the situation to date.

SENATOR MILLS: The situation today is different, I understand, and what we are trying to put into law in this particular bill, but, Senator Murphy, when the Banking Committee heard LB 269, and I may be in error but I thought you were in error, it seemed to me like I asked the question of those people testifying for this bill and asked them who would be putting in this facility and they, in turn, replied that the merchant would be and I said further, would it not be then a competitive thing for that merchant because if one merchant puts it in, then the next merchant in the same business must put it in and will it not, then, include everyone, to meet competition, to have this type of a facility in his business?

SENATOR MURPHY: Well, I am sure...

SENATOR MILLS: That was suppose to have been a question.

SENATOR MURPHY: Senator Mills, the last time I was absolutely positive I was wrong but I am quite certain in this case. I will verify it. I will pursue it further but I believe that possibly the direction of the question might have gone to the intent that certainly it will not be put in without the merchants asking for it but the cost of the system supposedly is to be carried out by an item charge which would be to the user bank, and again, under competitive conditions, would vary whether or not that was, in fact, passed on to the user.

SENATOR MILLS: Senator Murphy, LB 269, to me, is one of the most magnanimous bills that this Legislature has heard. I can't imagine why there aren't more questions. I think it will be a completely revolutionary thing that we will see in the future. I think this is starting a program that will put us in to the age of a checkless society. Again, I said just put us into that program. I can't imagine that there are not questions from the body and one I might pose to you, and you said it would be a terminal which would be unmarked by any particular bank. Again, this will be...create so much competition that won't it be true or couldn't it be true that a bank vying for business would sent their credit card or whatever credit card it might be for their customer to use at that terminal which is unnamed and wouldn't it be possible that, because of competition, they would say, well, now, if you use our card, there will be no charge for this transaction, and awhile ago you said there would be a charge possibly the same to all banks because of the cost of the switch. I am going back to competition and asking you to comment that this will be one of the biggest changes we have seen in the banking business, that they will probably be issuing cards and, of course, it can't say anything on that card but it can say, now, if you use this card, we are going to give you a set of silverware. Your paper plates will be coming in the mail the day after you punch this thing three times. Now this is probably an exaggeration of the point but, again, I ask you if this could not happen?